

UTAH OIL AND GAS CONSERVATION COMMISSION

REMARKS: WELL LOG _____ ELECTRIC LOGS _____ FILE X WATER SANDS _____ LOCATION INSPECTED OIL SUB REPORT: abd

DATE FILED 3-15-82

LAND: FEE & PATENTED _____ STATE LEASE NO _____ PUBLIC LEASE NO U-39582 INDIAN _____

DRILLING APPROVED 3-17-82

SPOUDED IN:

COMPLETED: _____ PUT TO PRODUCING: _____

INITIAL PRODUCTION:

GRAVITY API

GOR:

PRODUCING ZONES

TOTAL DEPTH:

WELL ELEVATION:

DATE ABANDONED: LOCATION ABANDONED 8-12-82

FIELD WILDCAT 3/86

UNIT:

COUNTY: SAN JUAN

WELL NO USA AMOCO "N" #1 API NO. 43-037-30770

LOCATION 1520 FT FROM (W) (S) LINE. X 1770 FT FROM (E) (W) LINE XX NE SW 1/4 - 1/4 SEC. 24

| TWP. | RGE | SEC | OPERATOR | TWP. | RGE | SEC | OPERATOR |
|------|-----|-----|----------|------------|------------|-----------|-------------------------|
| | | | | <u>37S</u> | <u>13E</u> | <u>24</u> | <u>AMOCO PRODUCTION</u> |

STATE OF UTAH
DEPARTMENT OF NATURAL RESOURCES
DIVISION OF OIL, GAS, AND MINING

5. Lease Designation and Serial No.

U-39582

6. If Indian, Allottee or Tribe Name

APPLICATION FOR PERMIT TO DRILL, DEEPEN, OR PLUG BACK

1a. Type of Work

DRILL

DEEPEN

PLUG BACK

b. Type of Well

Oil Well

Gas Well

Other Wildcat

Single Zone

Multiple Zone

2. Name of Operator

Amoco Production Company

3. Address of Operator

501 Airport Dr., Farmington, NM 87401

4. Location of Well (Report location clearly and in accordance with any State requirements.)

At surface

1520' FSL x 1770' FWL Section 24, T37S, R13E

At proposed prod. zone

Same

NESW

10. Field and Pool, or Wildcat

Wildcat

11. Sec., T., R., M., or Blk. and Survey or Area

Section 24 - T37S - R13E

14. Distance in miles and direction from nearest town or post office*

Approximately 97 miles Southwest of Blanding, Utah

12. County or Parrish 13. State
San Juan Utah

15. Distance from proposed* location to nearest property or lease line, ft. (Also to nearest drlg. line, if any)

1520'

16. No. of acres in lease
2560'

17. No. of acres assigned to this well
Wildcat

18. Distance from proposed location* to nearest well, drilling, completed, or applied for, on this lease, ft.

15,840'

19. Proposed depth
2100'

Cedar Mesa

20. Rotary or cable tools
Rotary

21. Elevations (Show whether DF, RT, GR, etc.)

5388' Ungraded Ground Level

22. Approx. date work will start*

As soon as permitted

23. PROPOSED CASING AND CEMENTING PROGRAM

| Size of Hole | Size of Casing | Weight per Foot | Setting Depth | Quantity of Cement |
|--------------|----------------|-----------------|---------------|--|
| 12-1/4" | 8-5/8" | 24# K-55 | 400' | 215 sx Class "G" w/Additives |
| 7-7/8" | 5-1/2" | 14# K-55 | 2100' | 350 sx Class "G" w/Additives |
| | | | | Tail in 100 sx Class "G" Circulate to surface. |

Amoco Production Company proposes to drill the above wildcat well to a depth of 2100' to test the White Rim SS formation. Completion will be based on open hole logs. Copies of all logs run will be furnished upon reaching total depth. Copies of the location plat are attached as well as additional information required by NTL-6.

This well is being drilled as a TIGHT HOLE and information is to be kept confidential.

RECEIVED
MAR 15 1982

APPROVED BY THE STATE OF UTAH DIVISION OF OIL, GAS, AND MINING

CONFIDENTIAL

DIVISION OF OIL, GAS & MINING

DATE: 3/12/82
BY: [Signature]

IN ABOVE SPACE, RECORD THE PROPOSED PROGRAM: If proposal is to deepen or plug back, give data on present productive zone and proposed new productive zone. If proposal is to deepen directionally, give pertinent data on subsurface locations and measured and true vertical depths. Give blowout preventer program, if any.

24. Signed: Wayne J. Peterson

Title: District Engineer

Date: MAR 12 1982

(This space for Federal or State office use)

Permit No. Approval Date

Approved by..... Title..... Date.....
Conditions of approval, if any:

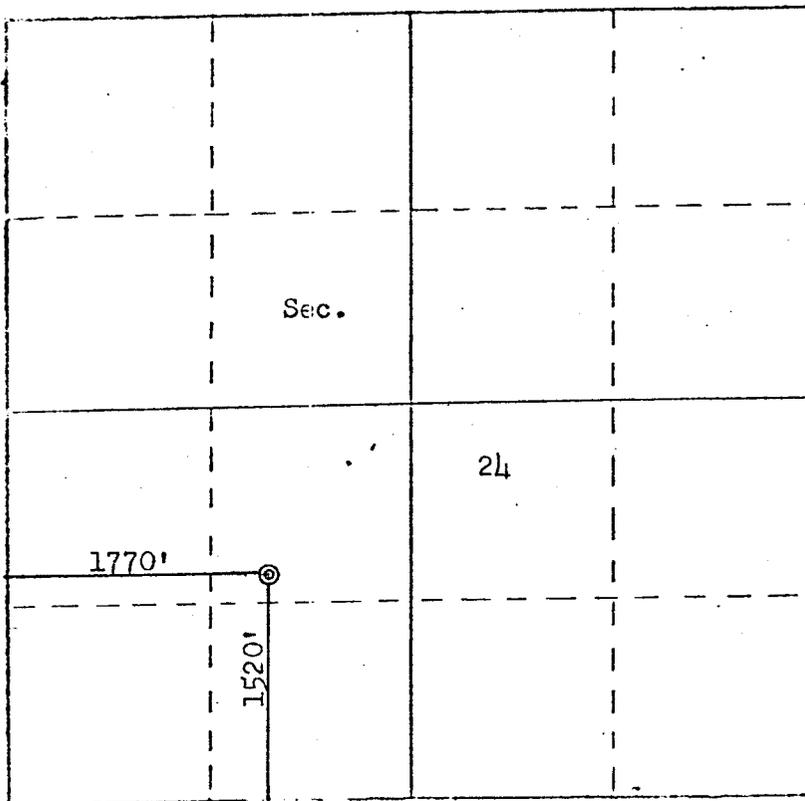
COMPANY AMOCO PRODUCTION COMPANY

LEASE USA "N" WELL NO. 1

SEC. 24, T. 37S, R. 13E SLM
SAN JUAN COUNTY, UTAH

LOCATION 1520' FSL 1770' FWL

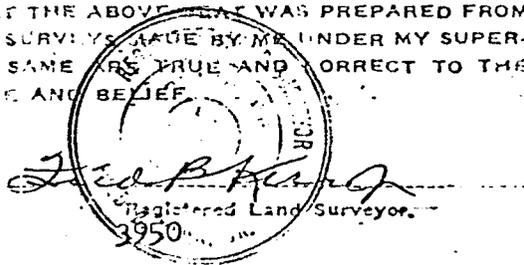
ELEVATION 5388 ungraded ground



SCALE - 4 INCHES EQUALS 1 MILE

THIS IS TO CERTIFY THAT THE ABOVE PLAN WAS PREPARED FROM
FIELD NOTE OF ACTUAL SURVEYS MADE BY ME UNDER MY SUPER-
VISION AND THAT THE SAME ARE TRUE AND CORRECT TO THE
BEST OF MY KNOWLEDGE AND BELIEF.

SEAL:



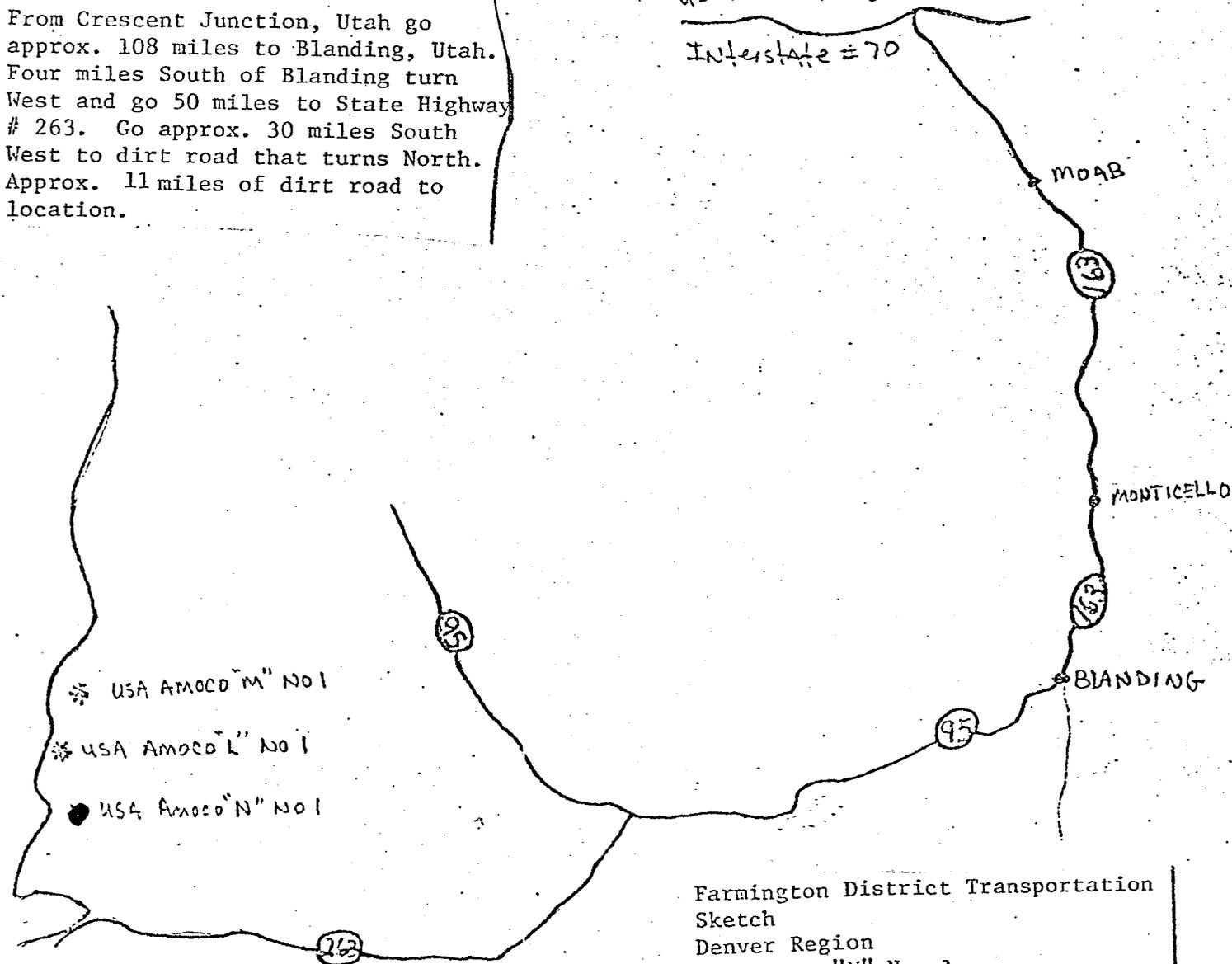
SURVEYED March 4, 1982



pages 10-11

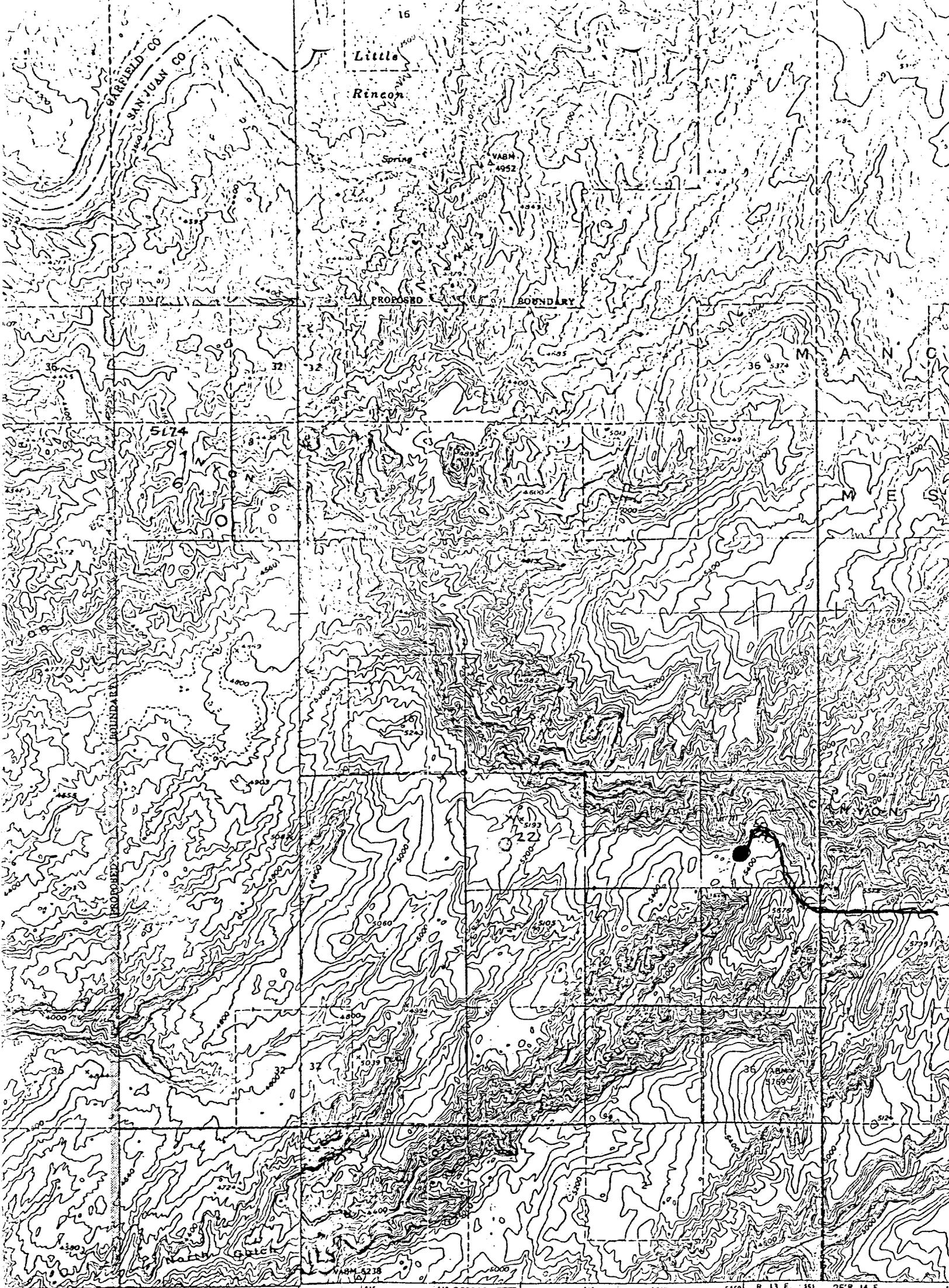
From Crescent Junction, Utah go approx. 108 miles to Blanding, Utah. Four miles South of Blanding turn West and go 50 miles to State Highway # 263. Go approx. 30 miles South West to dirt road that turns North. Approx. 11 miles of dirt road to location.

US HIGHWAY # 50
Interstate # 70



Halls Crossing
MARINA

Farmington District Transportation Sketch
Denver Region
USA Amoco "N" No. 1
Section 24, T37S, R13E
San Juan County, Utah
Amoco WI: 100%
Rail Point: Moab, Utah 203 miles
Mud Point: Moab, Utah 203 miles
Cement Point: Cortez, CO 178 miles



U.S. GEOLOGICAL SURVEY, WASHINGTON, D. C. 20508
 R. 12 E. R. 13 E. 543000 E

110°30' 145 146 2 3000 000 FEET 148 149 1501 R. 13 E. 151 25°R. 14 E.

Mapped, edited, and published by the Geological Survey
 in cooperation with the Atomic Energy Commission

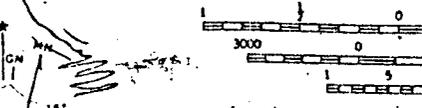
ROAD CLASSIFICATION Control by USGS

Union
 Roads added after 1953, not filed

Vicinity Map for
 AMOCO PRODUCTION COMPANY #1 USA "N"
 1520'FSL 1770'FWL Sec. 24-T37S-R13E
 SAN JUAN COUNTY, UTAH

MT. ELLSV
 N3730-W11030/15

1953
 MINOR CORRECTIONS MADE 1970
 AMS 3859 II-SERIES V797



MAGNETIC NORTH
 15° 267 HILLS
 DEER OF SHEET

FOR SALE BY U.S. GEOLOGICAL SURVEY
 A FOLDER

SUPPLEMENTAL INFORMATION TO FORM 9-551C

USA Amoco "N" No. 1
 1520' FSL x 1770' FWL
 Section 24-T37S-R13E
 San Juan County, Utah

The geologic name of the surface formation is the Navajo. Estimated tops of important geologic markers and potential water, oil, or gas bearing formations:

| <u>FORMATION</u> | <u>DEPTH</u> | <u>ELEVATION</u> |
|------------------|--------------|------------------|
| Navajo | Surface | 5350' |
| Kayenta | 150' | 5200' |
| Wingate | 450' | 4900' |
| Chinle | 750' | 4600' |
| White Rim | 1550' | 3800' |
| Organ Rock | 1600' | 3750' |
| Cedar Mesa | 2000' | 3350' |
| TD | 2100' | 3250' |

Estimated KB elevation: 5401'.

The well will be drilled from 0 - 400' using a low solids nondispersed mud system. The well will then be drilled from 400' - TD with Air.

Completion design will be based on the following logs: DIL-GR-SP; FDC-CNL-GR; BHC-Sonic-GR; Dipmeter.

Hole will need to be filled with drilling mud to run surveys.

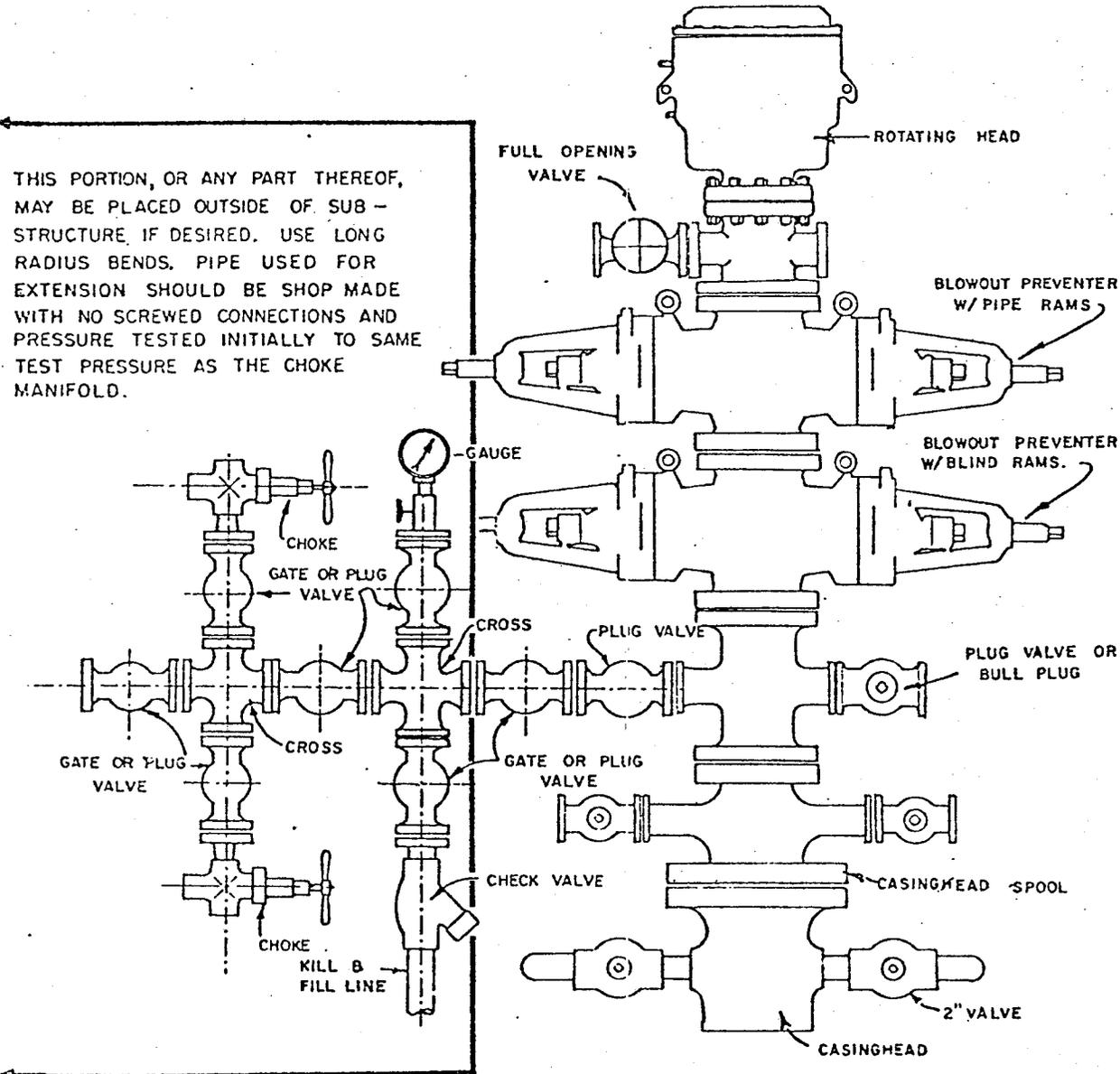
Operations will commence when permitted and last approximately 5 weeks. If water is encountered in White Rim SS, then one Drill Stem Test will be needed.

Amoco's standard blowout prevention will be employed (see attached drawing).

50' of conventional core will be taken in White Rim SS.

In the past, drilling in this area has shown that no abnormal pressures, temperatures, nor hydrogen sulfide gas will be encountered.

1. Blowout Preventers and Master Valve to be fluid operated, and all fittings must be in good condition.
2. Equipment through which bit must pass shall be as large as the inside diameter of the casing that is being drilled through.
3. Nipple above Blowout Preventer shall be same size or larger than BOP being drilled through.
4. All fittings to be flanged.
5. Omsco or comparable safety valve must be available on rig floor at all times with proper connection or sub. The I.D. of safety valve should be as great as I.D. of tool joints of drill pipe, or at least as great as I.D. of drill collars.



BLOWOUT PREVENTER HOOKUP

API Series # 900

EXHIBIT D-4

OCTOBER 16, 1969

Operation of BOP by closing both pipe and blind rams will be tested each trip or, on long bit runs, pipe rams will be closed once each 24 hours.

MULTI-POINT SURFACE USE PLAN

USA Amoco "N" No. 1
1520' FSL x 1770' FWL
Section 24-T37S-R13W
San Juan County, Utah

1. The attached topographic map shows the proposed route to the location
2. It will be necessary to build an access road approximately 20' wide and 400' in length.
3. Existing oil and gas wells within a one-mile radius of our proposed well have been spotted on the lease road map.
4. There is a 380-barrel tank and facilities located at (None).
5. Water will be hauled from Moqui Canyon.
6. No construction materials will be hauled in for this location.
7. A 100' by 100' pit will be built on location to hold all drilling waste. Upon completion of the well, pit will be fenced and waste and liquids left to dry, then pit will be filled and leveled. If any liquids remain, they will be hauled away prior to back filling.
8. There are no airstrips or camps in the vicinity.
9. The well site layout, reserve, burn and trash pits are shown on the attached Drill Site Specification Sheet.
10. Restoration of the surface will be accomplished by cleaning up and leveling upon completion of the well. Reseeding of the site will be carried out as instructed by the Bureau of Land Management - Monticello, Utah.
11. The general topography is solid sand w/3 to 4 feet of blow sand on top.

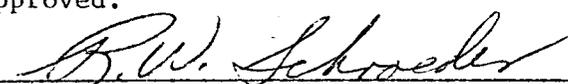
Representatives of the Minerals Management Services Durango's office and the Bureau of Land Management -- Monticello's office will inspect the site with Amoco personnel. Cultural resources inspection will be conducted by an archaeologist from Brigham Young University.

12. Operator's Representative: R. W. Schroeder
Phone: Office: 505-325-8841; Home: 505-325-6164
Address: 501 Airport Drive, Farmington, NM 87401

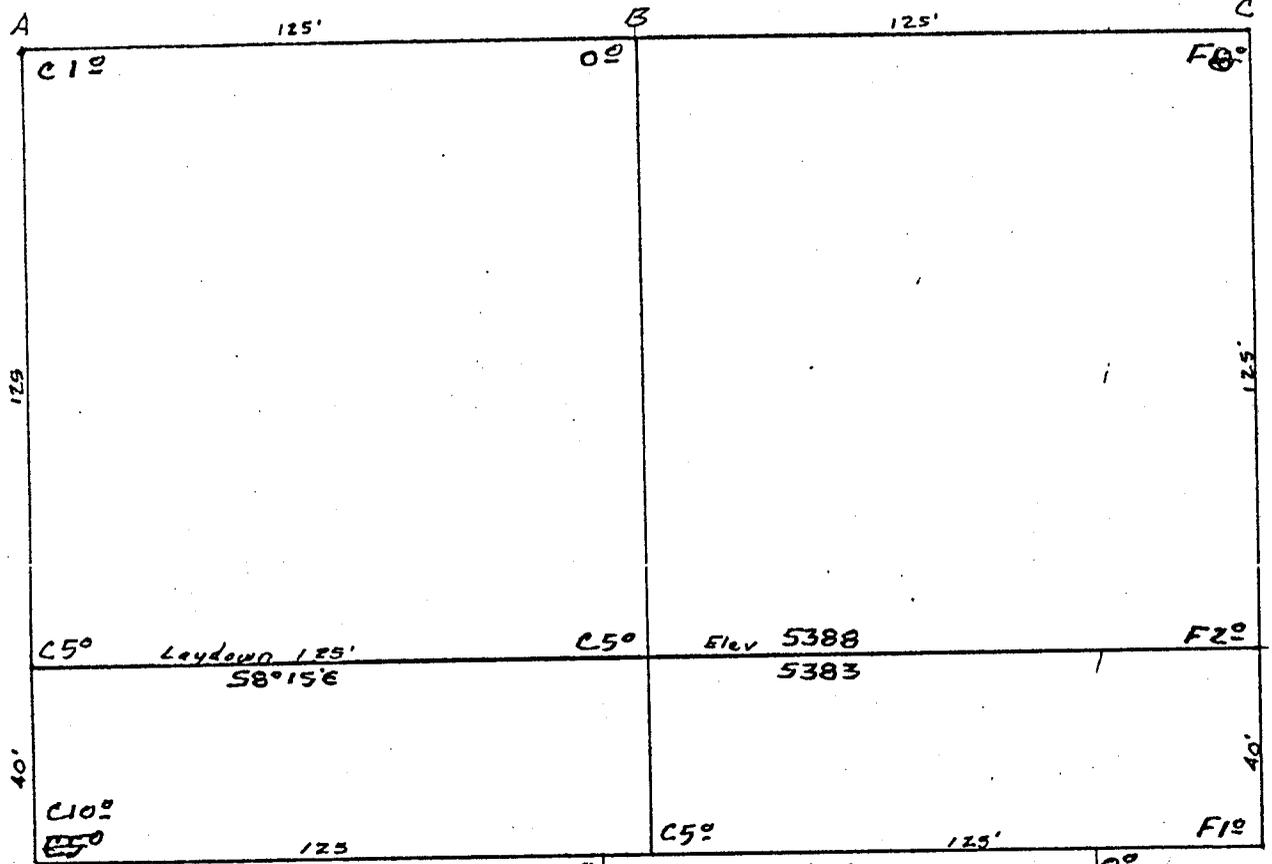
Certification: I hereby certify that I, or persons under my direct supervision, have inspected the proposed drillsite and access route, that I am familiar with the conditions which presently exist; that the statements made in this plan are, to the best of my knowledge, true and correct; and, that the work associated with the operations proposed herein will be performed by AMOCO PRODUCTION COMPANY and its contractors and sub-contractors in conformity with this plan and the terms and conditions under which it is approved.

Date

MAR 12 1992


R. W. Schroeder, District Superintendent

Profile Map for
 AMOCO PRODUCTION COMPANY #1 USA "N"
 1520' FSL 1770' FWL Sec. 24-T37S-R13E
 SAN JUAN COUNTY, UTAH



A-A' Vert. 1-30 Horiz 1-100

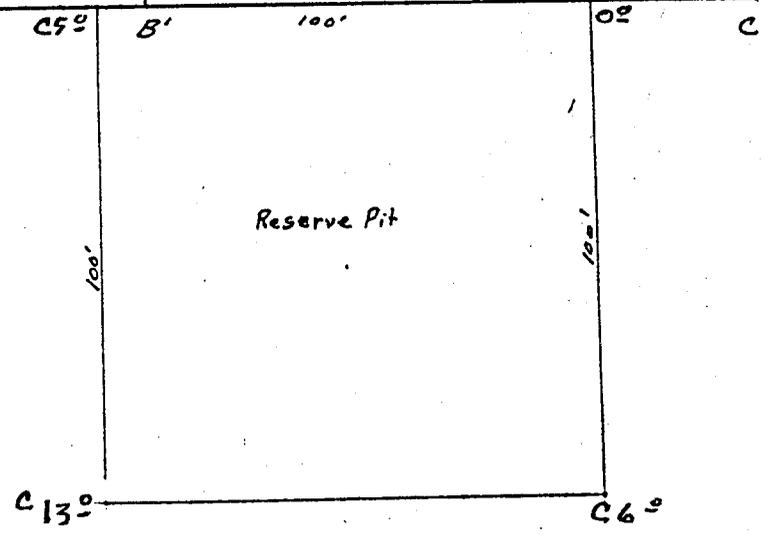
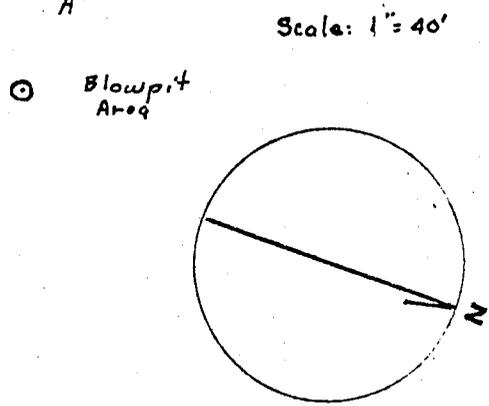
| | | | | |
|------|-------|-------|-------|-------|
| 5390 | ----- | ----- | ----- | ----- |
| 5380 | ----- | ----- | ----- | ----- |
| 5370 | ----- | ----- | ----- | ----- |
| | ----- | ----- | ----- | ----- |

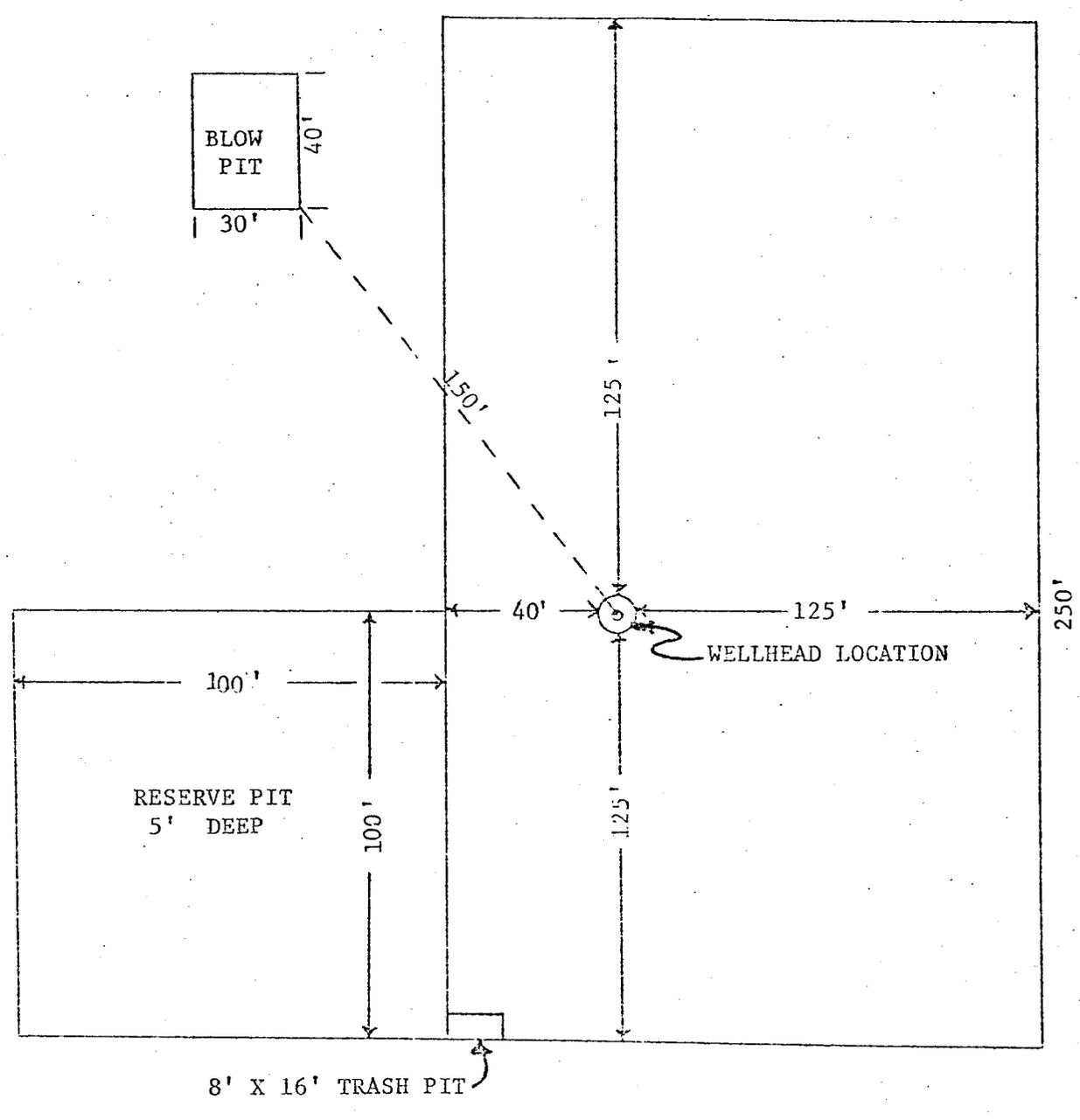
B-B' &

| | | | | |
|------|-------|-------|-------|-------|
| 5390 | ----- | ----- | ----- | ----- |
| 5380 | ----- | ----- | ----- | ----- |
| 5370 | ----- | ----- | ----- | ----- |
| | ----- | ----- | ----- | ----- |

C-C' &

| | | | | |
|------|-------|-------|-------|-------|
| 5390 | ----- | ----- | ----- | ----- |
| 5380 | ----- | ----- | ----- | ----- |
| 5370 | ----- | ----- | ----- | ----- |
| | ----- | ----- | ----- | ----- |





APPROXIMATELY 1.2 ACRES

| | |
|----------------------------------|-----------------|
| Amoco Production Company | SCALE: 1" = 40' |
| DRILLING LOCATION SPECIFICATIONS | |
| USA Amoco "N" No. 1 | DRG. NO. |

CONFIDENTIAL

** FILE NOTATIONS **

DATE: 3-15-82

OPERATOR: Amoco Production Co.

WELL NO: Ull Amoco "N" #1

Location: Sec. 24 T. 37S R. 13E County: San Juan

File Prepared:

Entered on N.I.D:

Card Indexed:

Completion Sheet:

API Number 43-037-30770

CHECKED BY:

Petroleum Engineer: _____

Director: _____

Administrative Aide: As per Rule C-3 (c)

APPROVAL LETTER:

Bond Required:

Survey Plat Required:

Order No. _____

O.K. Rule C-3

Rule C-3(c), Topographic Exception - company owns or controls acreage within a 660' radius of proposed site

Lease Designation Feb.

Plotted on Map

Approval Letter Written

Hot Line

P.I.

March 19, 1982

Amoco Production Company
501 Airport Drive
Farmington, New Mexico 87401

RE: Well No. 1 - USA Amoco "N"
Sec. 24, T. 27S, R. 13E
San Juan County, Utah

Insofar as this office is concerned, approval to drill the above referred to gas/oil well on said unorthodox location is hereby granted in accordance with Rule C-3(c), General Rules and Regulations and Rules of Practice and Procedure.

Should you determine that it will be necessary to plug and abandon this well, you are hereby requested to immediately notify the following:

CLEON B. FEIGHT - DIRECTOR
Office: 533-5771
Home: 466-4455

Enclosed please find Form OGC-8-X, which is to be completed whether or not water sands (aquifers) are encountered during drilling. Your cooperation in completing this form will be appreciated.

Further, it is requested that this Division be notified within 24 hours after drilling operations commence, and that the drilling contractor and rig number be identified.

The API number assigned to this well is 43-037-30770.

Sincerely,

DIVISION OF OIL, GAS AND MINING



Ronald W. Daniels
Deputy Director

RWD/as
Encl.
CC; Minerals Mgt. Service

**UNITED STATES
DEPARTMENT OF THE INTERIOR
GEOLOGICAL SURVEY**

SUNDRY NOTICES AND REPORTS ON WELLS

(Do not use this form for proposals to drill or to deepen or plug back to a different reservoir. Use Form 9-331-C for such proposals.)

1. oil well gas well other Wildcat

2. NAME OF OPERATOR
Amoco Production Company

3. ADDRESS OF OPERATOR
501 Airport Drive, Farmington, NM 87401

4. LOCATION OF WELL (REPORT LOCATION CLEARLY. See space, 17 below.)
AT SURFACE: 1520' FSL x 1770' FWL
AT TOP PROD. INTERVAL: Same
AT TOTAL DEPTH: Same

5. LEASE
U-39582

6. IF INDIAN, ALLOTTEE OR TRIBE NAME

7. UNIT AGREEMENT NAME

8. FARM OR LEASE NAME
U.S.A. Amoco "N"

9. WELL NO.
1

10. FIELD OR WILDCAT NAME
Wildcat

11. SEC., T., R., M., OR BLK. AND SURVEY OR AREA
Section 24-T37S-R13E

12. COUNTY OR PARISH | 13. STATE
San Juan | Utah

14. API NO.
43-037-30770

15. ELEVATIONS (SHOW DF, KDB, AND WD)
5388' GL

16. CHECK APPROPRIATE BOX TO INDICATE NATURE OF NOTICE, REPORT, OR OTHER DATA

| | | |
|--------------------------|--------------------------|--------------------------|
| REQUEST FOR APPROVAL TO: | | SUBSEQUENT REPORT OF: |
| TEST WATER SHUT-OFF | <input type="checkbox"/> | <input type="checkbox"/> |
| FRACTURE TREAT | <input type="checkbox"/> | <input type="checkbox"/> |
| SHOOT OR ACIDIZE | <input type="checkbox"/> | <input type="checkbox"/> |
| REPAIR WELL | <input type="checkbox"/> | <input type="checkbox"/> |
| PULL OR ALTER CASING | <input type="checkbox"/> | <input type="checkbox"/> |
| MULTIPLE COMPLETE | <input type="checkbox"/> | <input type="checkbox"/> |
| CHANGE ZONES | <input type="checkbox"/> | <input type="checkbox"/> |
| ABANDON* | <input type="checkbox"/> | <input type="checkbox"/> |

(NOTE: Report results of multiple completion or zone change on Form 9-330.)

(other) Amendments to Surface Use Plan and Reclamation Procedures

17. DESCRIBE PROPOSED OR COMPLETED OPERATIONS (Clearly state all pertinent details, and give pertinent dates, including estimated date of starting any proposed work. If well is directionally drilled, give subsurface locations and measured and true vertical depths for all markers and zones pertinent to this work.)*

As a result of our recent on-site inspection of the subject well, we are submitting the required Ammendments to Surface Use Plan and Reclamation Procedures.

Subsurface Safety Valve: Manu. and Type _____ Set @ _____ Ft.

18. I hereby certify that the foregoing is true and correct

SIGNED [Signature] TIT. Dist. Admin. Supvr. DATE APR 13 1952

(This space for Federal or State office use)

APPROVED BY _____ TITLE _____ DATE _____
CONDITIONS OF APPROVAL, IF ANY:

AMENDMENTS TO SURFACE USE PLAN

and

RECLAMATION PROCEDURES

U.S.A. Amoco "N" No. 1
Section 24-T37S-R13E
San Juan County, Utah

Construction:

1. The operator or his contractor will contact the San Juan Resource Area Office in Monticello, Utah (Phone (801) 587-2201) 48 hours prior to beginning any work on public land.
2. The dirt contractor will be furnished with a copy of the Surface Use Plan and any additional BLM stipulations prior to any work.
3. The San Juan County Road Department in Monticello will be contacted prior to the use of county roads for this activity, at (801) 587-2231, Ext. 43.
4. Water permit will be obtained from State Engr. (801) 637-1303 and surface owner or manager.
5. If subsurface cultural material is exposed during construction, work in that spot will stop immediately and the San Juan Resource Area Office will be contacted. All employees working in the area will be informed by the operator that they will be subject to prosecution if they are caught disturbing archaeological sites or picking up artifacts. Salvage or excavation of identified archaeological sites will only be done if damage occurs.

6. Improvement to existing access (will/will not) be necessary and will be limited to a total disturbed width of _____ feet. New construction will be limited to a total disturbed width of _____ feet. Road surface will be flat bladed to remove brush, no ditching or water bars or culverts will be installed.

Surface disturbance and vehicular travel will be limited to the approved location and approved access route. Any Additional area needed will be approved in advance.

Surfacing material will not be placed on the access road or location without prior BLM approval.

7. The top 12 inches of soil material will be removed from the location and stockpiled separate from the trees on the NW side of the location. Topsoil along the access will be reserved in place.
8. A trash pit will be constructed near the mud tanks with steep sides and dug at least six feet into solid undisturbed material. It will be totally enclosed with a fine mesh wire before the rig moves onto the location.
9. The reserve pit will not be lined with commercial bentonite or plastic sufficient to prevent seepage. Keyway.

10. Three sides of the reserve pit will be fenced with four strands of barbed wire before drilling starts. The fourth side will be fenced as soon as the drilling is completed. The fence will be kept in good repair while the pit is drying.
11. A burning permit will be required before burning trash between May 1 and October 31. This can be acquired by contacting the State Fire Warden, John Baker at (801) 587-2705.

Rehabilitation

1. Immediately on completion of drilling, the location and surrounding area will be cleared of all debris resulting from the operation. All trash will be disposed of in the trash pit. Non-burnable debris will be buried on the site with a 3' cover.
2. The operator or his contractor will contact the San Juan Resource Area BLM office in Monticello, Utah, phone (801) 587-2201, 48 hours prior to starting rehabilitation work that involves earthmoving equipment and upon completion of restoration measures.
3. Before any dirt work to restore the location takes place, the reserve pit must be completely dry and any trash it contains must be removed from public lands.
4. All disturbed areas will be recontoured to blend as nearly as possible with the natural topography.

5. The stockpiled topsoil will be evenly distributed over the disturbed area.
6. All disturbed areas will be scarified with the contour to a depth of 12 inches.
7. Seed will be broadcast at a time to be specified by the BLM with the following seed prescription. When broadcast seeding, a harrow or some such implement will be dragged over the seeded area to assure seed cover.

| | | |
|--------------|----------|---|
| <u> 2 </u> | lbs/acre | Indian ricegrass (<i>Oryzopsis hymenoides</i>) |
| <u> 1 </u> | lbs/acre | Fourwing saltbush (<i>Atriplex canescens</i>) |
| <u> 1 </u> | lbs/acre | Sand dropseed (<i>Sporobolus cryptandrus</i>) |
| <u> </u> | lbs/acre | Green ephedra (<i>Ephedra viridis</i>) |
| <u> </u> | lbs/acre | Cliffrose (<i>Cowania mexicana</i>) |
| <u> </u> | lbs/acre | Crested wheatgrass (<i>Agropyron desertorum</i>) |
| <u> </u> | lbs/acre | Western wheatgrass (<i>Agropyron smithii</i>) |
| <u> </u> | lbs/acre | Alkali sacaton (<i>Sporobolus airoides</i>) |
| <u> </u> | lbs/acre | Rubber rabbitbrush (<i>Chrysothamnus nauseosus</i>) |
| <u> </u> | lbs/acre | _____ |
| <u> 1 </u> | lbs/acre | <u>Globemallow</u> |
| <u> 1 </u> | lbs/acre | <u>Buffalo Berry (Silver leaf)</u> |

8. Water bars will be constructed as directed by BLM to control erosion.

Production

1. The reserve pit and that portion of the location and access road not needed for production or production facilities will be reclaimed in the methods described in the rehabilitation section. Enough topsoil will be retained to reclaim the remainder of the location at a future date. The remaining stockpile of topsoil will be seeded in place using the prescribed seed mixture.
2. All above-ground production facilities will be painted a neutral color to be approved by the BLM.
3. The access shall be upgraded to the following specifications:
BLM Class III Standards
4. Production will be in compliance w/non-impairment standards.

Oil and Gas Operations
2000 Administration Building
1745 West 1700 South
Salt Lake City, Utah 84104

August 9, 1982

Amoco Production Company
501 Airport Drive
Farmington, New Mexico 87401

Attn: Mr. Wayne T. Peterson

Re: Applications for Permit to Drill
Well No. 1, USA Amoco "L" ✓
Section 22, T.37S., R.13E.
Well No. 1 USA Amoco "M" ✓
Section 5, T.37S., R.13E.
Well No. 1 USA Amoco "N" ✓
Section 24, T.37S., R.13E.
San Juan County, Utah
Oil and Gas Leases U-39579,
U-39585 and U-39582

Gentlemen:

The referenced Applications for Permit to Drill were received in this office March 15, 1982. The proposed wells and the entire leaseholds fall within the Mancos Mesa Wilderness Inventory Unit. This Unit was dropped from further "wilderness study" by the Bureau of Land Management (BLM) but, this decision is under appeal to the Interior Board of Land Appeals (IBLA) by certain environmental groups. The referenced leases were issued post Federal Land Policy and Management Act of 1976 (FLPMA). In this status, the area must be managed in a manner "so as not to impair the suitability of such areas as wilderness" and all proposals must meet the established "non-impairment" criteria as determined by the BLM.

The referenced proposals and all geologically feasible alternatives have been investigated by aerial and on-the-ground reconnaissance. Due to the presence of slick-rock, angled outcrops of sandstone and the predominance of the "difficult to restore" black brush in the area, a non-impairment finding for the proposals and alternatives could not be made. The Environmental Analysis process confirmed that the proposals and all alternatives considered could not offer non-impairment especially, for access routes to the proposed drill sites. There were, however, two alternative well sites that could meet non-impairment standards. An area void of black brush near the proposed "L" site, large enough to construct the drill site, could afford reasonable restoration potential capable of being non-impairing. Access, however, would require helicopter mobilization for the drilling and, possibly, the production activity. Amoco has determined that helicopter mobilization is not available nor feasible. The "N" site alternative, approximately 1500 feet northeast of the originally proposed site and at the end of an existing road,

State Oil & Gas

could also meet non-impairment standards. No access construction would be necessary. This alternative, however, as indicated by Amoco, is not geologically feasible. No non-impairing alternative for the "M" site was available.

Considerable time and effort has been expended in investigating the referenced proposals and alternatives. The proposals or any alternatives investigated do not meet the non-impairment criteria or do not appear viable or feasible. Accordingly, and with regrets, approval to the referenced Applications for Permit to Drill (APD's) is denied. Amoco has the following options:

1. Appeal the denial of the APDs under 30 CFR 290.
2. Apply for a Suspension of Operations and Production under 43 CFR 3103.3-8 until the appeal on the wilderness issue has been decided by IBLA, and then, with denial of the appeal, re-submit the APDs. The lease term and rentals are suspended with approval of the Suspension of Operations and Production.
3. Amoco investigates the area for other drill sites that would meet the non-impairment criteria and, if they can be found, submits other Applications for Permit to Drill. If Amoco locates these potential non-impairing sites and access routes, the Federal Agencies involved will investigate these alternative sites and roads for non-impairing possibilities. Black Brush and slick-rock must be avoided.

Sincerely,

E. W. Guynn
District Oil and Gas Supervisor

bcc: DMM, O&G, CR, Denver
BLM, Monticello
Don Englishman, ES, Durango
Craig Hansen, ES, Vernal
George Diwachak, ES, Salt Lake City
Well Files (3)
Lease Files (3)
STATE O&G ✓

EWG/kr

LA

August 12, 1982

Amoco Production Company
Attn: Mr. Wayne T. Peterson
501 Airport Drive
Farmington, New Mexico 87401

RE: Well No. 1, USA Amoco "L"
Sec. 22, T. 37S, R. 13E
Well No. 1, USA Amoco "M"
Sec. 5, T. 37S, R. 13E
Well No. 1 USA Amoco "N"
Sec. 24, T. 37S, R. 13E
San Juan County, Utah

Dear Mr. Peterson:

Approval of the referenced applications for Permit to Drill must be withdrawn effective the date of this letter in concert with denial of the federal applications.

Should Amoco later obtain federal approval to drill as requested, please re-submit for State of Utah approval.

Respectfully,


Norm Stout
Administrative Assistant

NS/as
cc: Minerals Management Service